

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

2. STATE:

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY _____ \$ _____
b. FFY _____ \$ _____

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

*** SEE REMARKS

10. SUBJECT OF AMENDMENT:

Disproportionate Share

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

14. TITLE:

15. DATE SUBMITTED:

9/27/96

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

SEP 30 1996

18. DATE APPROVED:

JUN 06 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

09/20/96

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Sue Kelly

22. TITLE: Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

As per instructed in State Letter received on 5/10/01 pages revised and renumbered as follows: Attachment 4.19A page IV-31, page IV-32, and page IV-33. Also noted to remove parenthesis from around dollar amounts in Box #7 on HCFA 179.

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**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
REIMBURSEMENT SECTION**

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	96-30-MA (NJ)

TN 96-30 Approval Date JUN 06 2001
Supersedes TN 96-23 Effective Date SEP 20 1996

Reimbursement for (In-State) Private Psychiatric, Special (Non-Acute), and Rehabilitation Hospitals

DISPROPORTIONATE SHARE

I. Eligibility for Disproportionate Share Hospital Reimbursement.

(a) No hospital shall be defined or deemed as a Disproportionate Share Hospital unless the hospital has at least two obstetricians who have staff privileges at the hospital and who have agreed to provide obstetric services to individuals who are entitled to medical assistance for such services. This provision does not apply to hospitals, the inpatients of which are predominantly individuals under 18 years of age or which does not offer non-emergency obstetric services to the general population.

(b) The term "Medicaid inpatient utilization rate" means a fraction (expressed as a percentage), the numerator of which is the hospital's number of inpatient days attributable to patients who (for such days) were eligible for medical assistance under this State plan in a period, and the denominator of which is the total number of the hospital's inpatient days in that period. The term "inpatient day" includes each day in which an individual (including a newborn) is an inpatient in the hospital, whether or not the individual is in a specialized ward and whether or not the individual remains in the hospital for lack of suitable placement elsewhere.

(c) The term "low-income utilization rate" means the sum of:

(i) the fraction (expressed as a percentage), the numerator of which is the sum (for a period) of the total revenues paid the hospital for patient services under the State plan and the amount of the cash subsidies for patient services received directly from State and local governments, and the denominator of which is the total amount of revenues of the hospital for patient services (including the amount of such cash subsidies) in the period; and

(ii) A fraction (expressed as a percentage), the numerator of which is the total amount of the hospital's charges for inpatient hospital services which are attributable to charity care in a period less the portion of any cash subsidies described above reasonably attributable to inpatient hospital services, and the denominator of which is the total amount of the hospital's charges for inpatient hospital services in the hospital in the period.

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New Page

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Rehabilitation Hospitals**

DISPROPORTIONATE SHARE

- IV. Other hospitals deemed eligible to receive DSH payments on the basis of low income utilization, as defined above, will receive annually a DSH payment equal to one one-hundredth of one percent of non-DSH Medicaid payments for inpatient services for each percentage point by which the hospital's low income utilization exceeds 25 percent (i.e., the number of percentage points multiplied by .01 percent multiplied by the hospital's non-DSH Medicaid payments for inpatient services).
- V. A hospital deemed eligible to receive DSH payments on the basis of its Medicaid inpatient utilization rate but has a low income utilization rate less than or equal to 25 percent will receive annually a DSH payment equal to one one-hundredth of one percent of non-DSH Medicaid payments for inpatient services for each percentage point by which the Medicaid inpatient utilization rate exceeds one standard deviation above the mean Medicaid inpatient utilization rate for all hospitals in New Jersey (i.e., the number of percentage points multiplied by .01 percent multiplied by the hospital's non-DSH Medicaid payments for inpatient services).
- (a). Hospitals with a Medicaid utilization rate equal to one standard deviation above the mean Medicaid inpatient utilization rate for all hospitals in New Jersey shall be considered as having a rate that equals one percentage point plus one standard deviation above the mean Medicaid inpatient utilization rate for the purposes of calculating a DSH payment.

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